

TEACHERS' RETIREMENT BOARD  
SUBCOMMITTEE ON CORPORATE GOVERNANCE

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SUBJECT: Approval of Minutes of the October 13, 1999  
Subcommittee on Corporate Governance, Open Session

ITEM NUMBER: 3

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: November 3, 1999

INFORMATION:       

PRESENTER(S): Chairperson

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Proposed minutes of the Investment Committee Meeting held in open session October 13, 1999 are submitted on the following pages.

**PROPOSED  
MINUTES OF THE  
SUBCOMMITTEE ON CORPORATE GOVERNANCE  
OF THE  
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM  
OCTOBER 13, 1999  
OPEN SESSION  
ROBYN D. MILLER BOARD ROOM  
7667 FOLSOM BOULEVARD  
SACRAMENTO, CALIFORNIA**

**SUBCOMMITTEE MEMBERS PRESENT**

Phil Angelides, State Treasurer, Chairperson  
Yvonne Gallegos Bodle  
George Fenimore  
Lillian Raffel  
Emma Zink  
Michael Foulkes, representing State Controller  
Kathleen Connell  
Curt Robinson, representing State Superintendent  
of Public Instruction, Delaine Eastin  
Annette Porini, representing State Director of Finance  
Tim Gage

**ALSO PRESENT**

James Mosman, Chief Executive Officer  
Patrick Mitchell, Chief Investment Officer  
Elleen Okada, Director of Investment Admin. and External Relations  
Chris Waddell, Chief Counsel  
Gary Lynes  
Marty Mathiesen  
Chris Drevalas, Treasury Program Manager  
Doug Wills, Staff Counsel  
Janice Hester Amey, Corporate Affairs Advisors  
Edna White, California Retired Teachers' Association  
Ellen Logue, California Teachers' Association, Retired  
Loretta Toggenburger, United Teachers of Los Angeles, Retired  
Beverly Carlson, California Teachers' Association  
Scott Adams, USWA  
Carla Din, The Rose Foundation  
Mary Ann Avansino, Administrative Assistant

A quorum being present, Chairperson Angelides called the open session meeting at 8:45 a.m.

- I. **ANNOUNCEMENTS** (Item 2)  
There were no announcements.

II. **APPROVAL OF MINUTES OF THE SEPTEMBER 1, 1999 SUBCOMMITTEE ON CORPORATE GOVERNANCE, OPEN SESSION** (Item 3)

MOTION duly made by Ms. Porini, seconded by Ms. Raffel and carried to approve the minutes of the September 1, 1999 Subcommittee on Corporate Governance, Open Session as presented. Dr. Bodle abstained.

III. **CORPORATE GOVERNANCE POLICY** (Item 4)

Ms. Okada, Mr. Waddell and Ms. Hester Amey reviewed the policy. Discussion ensued.

Chairperson Angelides suggested that B. 4. a. read "...Voting of proxies shall be in conformance with all approved documents." Mr. Angelides also suggested that a "positive focus" list be considered, listing companies exhibiting good corporate governance practices.

MOTION duly made by Dr. Bodle, seconded by Ms. Raffel and carried to adopt the corporate governance program and policy statement presented by staff including the change to B. 4. a., "...Voting of proxies shall be in conformance with all approved documents." Mr. Fenimore abstained.

IV. **DISCUSSION OF 1999/00 CORPORATE GOVERNANCE WORKPLAN** (Item 5)

Ms. Okada and Ms. Hester Amey reviewed the screening process used to determine the worst performing companies. Discussion ensued. The workplan and companies will be considered at the November meeting. The subcommittee directed Staff to compile two lists, one with a minimum holding of \$2 million and one with a minimum holding of \$5 million.

V. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC** (Item 6)

Ms. Din of the Rose Foundation recommended that the Subcommittee review studies that demonstrate that sound environmental practices can affect a company's profitability.

Chairperson Angelides requested that an item be scheduled for the November meeting pertaining to restitution to World War II Slave and forced labor victims.

VI. **ADJOURNMENT**

Chairperson Angelides announced there being no further business to conduct, the meeting was adjourned at 9:50 a.m.

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James D. Mosman, Chief Executive Officer and Secretary to the  
Teachers' Retirement Board

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Phil Angelides, Chairperson